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SUBJECT: SEOUL - PRESS BULLETIN; August 14, 2009

TOP HEADLINES

Chosun Ilbo, Dong-a Ilbo, Hankyoreh Shinmun,
Segye Ilbo, Seoul Shinmun, All TVs
Hyundai Asan Worker Freed after 136 Days of Captivity
in N. Korea

JoongAng Ilbo, Hankook Ilbo
Freed Hyundai Asan Worker: "I'm Happy to be Back...
Thank You"

DOMESTIC DEVELOPMENTS

A Hyundai Asan worker, who had been held incommunicado in North Korea since March 30, was freed yesterday evening. North Korea officially deported him on the 136th day of his detention for criticizing the North's political system. (All)

The Unification Ministry denied a ransom was paid for his release, but gave no details of behind-the-scenes talks between the two countries. (All)

Hyundai Group Chairwoman Hyun Jung-eun extended her stay in North Korea for one more day yesterday, possibly because of a delayed meeting with North Korean leader Kim Jong-il. She originally planned to return to Seoul on August 12. (All)

A U.S. delegation led by Ambassador Philip Goldberg, coordinator for the U.S.'s implementation of UN Security Council Resolution 1874, will visit Seoul late next week, around August 22. (JoongAng, Dong-a, Segye)

MEDIA ANALYSIS

-N. Korea

- Release of ROK Worker

Yesterday's release of a Hyundai Asan worker, who had been held incommunicado in North Korea since March 30, received above-the-fold front-page treatment. According to media reports, North Korea allowed the worker to leave by expelling him for criticizing the North's political system, and the ROK Unification Ministry stated that it neither paid a ransom nor offered an apology for his release, while giving no details of behind-the-scenes talks between the two Koreas.

Conservative Chosun Ilbo's front-page report quoted an ROKG official as commenting: "Given several other pending issues, including the fate of four crewmembers of a fishing boat towed to the North after crossing the Northern Limit Line in the East Sea on July 30, the ROKG will not abruptly change its North Korea policy. However, it is clear that a breakthrough has been made in inter-Korean ties following the worker's release."

Chosun Ilbo also carried an inside-page analysis that said that Pyongyang may be returning to dialogue, because its "hostage politics," using the detained ROK worker and U.S. journalists as leverage in relations with the U.S. and the ROK, failed to deliver; that approach instead became increasingly burdensome for Pyongyang over time. The Chosun analysis quoted local experts as observing: "Nothing comes without a price tag in relations with North Korea. Pyongyang probably expects some sort of financial compensation from Seoul for the worker's release."

The ROK media also gave wide attention to Hyundai Group Chairwoman Hyun Jung-eun's decision to extend her stay in North Korea for one

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more day, possibly because of a delayed meeting with North Korean leader Kim Jong-il.

In a related development, conservative Chosun quoted an ROKG official as saying that the Hyundai chairwoman "must have met" Kim Jong-il because she was scheduled to return on Wednesday but extended her stay twice, and because the North's invitation only mentioned the start of her visit, "from Monday," but did not say when it would end.

Right-of-center JoongAng Ilbo editorialized: "North Korea must have released the ROK worker out of consideration that strained inter-Korean relations will not be to its advantage. ... The ROKG needs to send a forward-looking signal to North Korea. ... It can positively consider making a bold proposal, including resumption of humanitarian aid, through its upcoming speech to mark the August 15 Liberation Day. The fundamental resolution of the inter-Korean issue ultimately depends on the resolution of North Korea's nuclear issue. In the process, however, we should make efforts to improve inter-Korean relations."

Conservative Dong-a Ilbo argued in an editorial: "Seoul should not interpret the ROK worker's release as signaling a major change in inter-Korean relations. Resolution of humanitarian issues is one thing, but the North's nuclear dismantlement is quite another. Unless Pyongyang fundamentally changes its behavior toward nuclear weapons, no breakthrough in inter-Korean relations is possible."

- Sanctions on N. Korea

Right-of-center JoongAng Ilbo and conservative Dong-a Ilbo and Segye Ilbo reported that a U.S. delegation led by Ambassador Philip Goldberg, coordinator for the U.S.'s implementation of UN Security Council Resolution 1874, will visit Seoul late next week, around August 22. According to reports, Ambassador Goldberg will stress during the visit that sanctions against North Korea have nothing to do with former President Bill Clinton's visit to North Korea and that they should continue.

JoongAng Ilbo's Senior Journalist Kim Young-hie opined: "(Current) International sanctions against North Korea are much more powerful and effective than any other sanctions in the past. ... North Korea's invitations of former President Clinton and Hyundai Group Chairwoman Hyun Jung-eun are related to this grave situation. ... What matters is moderating the intensity of sanctions. It is time to calculate accurately to what extent we should put pressure on

North Korea in order to maximize the effects of sanctions and to bring the North back to the Six-Party Talks, while making the country deliver on its agreements. Otherwise, North Korea will become desperate - like a mouse chased by a cat - and resort to self-destructive acts, including nuclear and missile tests. Now that U.S. -North Korea relations have entered a new phase, the release of the Hyundai Asan employee may serve as a significant breakthrough in inter-Korean relations."

OPINIONS/EDITORIALS

'REPRESENTATIVE FOR AFGHANISTAN' HOLBROOKE AND 'REPRESENTATIVE FOR NORTH KOREA' BOSWORTH
(Chosun Ilbo, August 14, 2009, page 4)

By Washington correspondent Lee Ha-won

On August 12, a forum organized by the pro-Obama Center for American Progress (CAP) was held at the St. Regis hotel in Washington, DC. At the event, John Podesta, the President of CAP, and Richard Holbrooke, the U.S. Special Envoy to Afghanistan and Pakistan stood behind a podium. They were flanked by five people. There were sixteen TV cameras lined up on the opposite side. 150 seats were arranged, and about 40 people, who were not able to seat themselves, pricked up their ears.

Representative Holbrooke introduced his 10 aides and said that he

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had never worked with a team as strong as this one in 40 years. The aides, who came from the Department of State, Department of Treasury, Department of Defense, and so on, explained their own roles and answered questions from the audience. Jane Marriott, who was introduced as "a special figure borrowed from the British government," spoke in a British accent and stressed international cooperation.

By showing the harmony among him and his ten staff members on this day, Holbrooke instilled trust in U.S. Afghanistan policy. This scene reminded me of Stephen W. Bosworth, who was appointed as U.S. Special Representative for North Korea at the same time as Holbrooke. Since attending a Foreign Press Center briefing in April and a Senate hearing in June, Special Representative Bosworth has been conducting virtually no activities.

Despite some criticism that he is a "part-time" envoy, he still doubles as the Dean of The Fletcher School of Law and Diplomacy at Tufts University. He, of course, spends more time in Medford, Massachusetts, where the university is located. Compared to Holbrooke, who shows up at the Department of State every day and deals with Afghan issues, Bosworth reportedly makes a "business trip" to Washington D.C. when necessary. This is also in contrast to a flurry of activities by Ambassador Philip Goldberg, coordinator for the implementation of UN Security Council Resolution 1874. This is why some people call Bosworth an "invisible man." We just hope that somewhere out of sight, he is focusing his efforts to devise strategies for resolving the North Korean nuclear issue "once and for all."

MODERATING PRESSURE ON NORTH KOREA IS THE KEY
(JoongAng Ilbo, August 14, 2009, Page 43)

By Senior Journalist Kim Young-hie

A source well-versed in ROK-U.S. cooperation on North Korea said that the USG seemed to have notified the ROKG on roughly 80 percent of the outcome of former President Clinton's visit to the North. Since the remaining 20 percent is Clinton's subjective impression during his meeting and dinner with North Korean leader Kim Jong-il, it is the part to be shared only with U.S. President Barack Obama. Based on those conversations, the ROKG surmises that since Clinton was restricted by the USG not to act as a negotiator in Pyongyang, except for the release of the journalists, he unilaterally explained

what he believed the Obama Administration's stance is on the resolution of North Korean issues - including the nuclear standoff - and otherwise kept quiet. This made Kim feel dispirited, and thus, while explaining North Korea's position at length, Kim gave Clinton the message that he hoped would be delivered to President Obama. Kim emphasized the need for the U.S. to discontinue its 'hostile policy toward the North' as a condition for improvement in U.S.-North Korea relations.

A starting point for calculating the effects of the Clinton visit is to examine what Kim gained from it. Kim scored many points at home and abroad. He was able to trumpet the fact that the former U.S. President and husband of the current U.S. Secretary of State paid a visit to Dear Leader Kim, while apologizing for the U.S. journalists' illegal entry into the North, and appealing for leniency. Kim may also be pleased that he showed to the outside world considerable generosity by freeing the U.S. journalists who had been sentenced to 12 years of hard labor. One flaw in this picture is the issue of the Hyundai Asan employee. The impression that Kim is generous to Americans but mean to people of the same ethnicity does not match the "considerable generosity" that Kim wants to show off. In this context, the issue of the ROK employee does not go beyond the influence of the Clinton visit.

Some experts on North Korea think that since Clinton fully explained Washington's position to Kim, the ball is now in North Korea's court. As explained by Clinton, the USG's position also reminds the North of the harsh reality that, without denuclearization, Pyongyang should not anticipate an improvement in its relations with the U.S.

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North Korea is certainly being weighed down under UN-led sanctions and additional steps taken by the U.S. However, the North Koreans are a weird group, well accustomed to such situations; therefore, Washington is not in a position to continue to endlessly tighten the screws on the North. Sanctions are a means, not an end. The U.S. is putting pressure on North Korea as a strong means to lure North Korea back to the Six-Party Talks while making the North pursue irreversible and verifiable denuclearization.

U.S.-North Korea relations before and after Clinton's visit to Pyongyang will be quite different. David Sanger, the diplomatic affairs reporter for The New York Times, said in an August 10 report that the Obama Administration is gradually refocusing its policy on classic "containment" of the North's ability to export its nuclear technology. This report reflects a change that has been palpable in Washington since Clinton's North Korea visit. Sanger said, "Few of Mr. Obama's aides believe that the North will ever give up everything in its nuclear panoply." He added, "The more immediate, and practical, goal, then, is to neutralize Mr. Kim's ability to reap cash and power from exporting its know-how for building a crude nuclear device." These remarks send an important signal that even though this is not the official position of the Obama Administration, the U.S.' North Korea policy could be enacted on the notion that Pyongyang will not give up its nuclear ambitions. President Lee Myung-bak also sensed this change in U.S. position during the June ROK-U.S. summit.

(Current) international sanctions against North Korea have been much more powerful and effective than any other sanctions in the past. Moreover, the U.S. is choking off North Korea's financial supplies independently. If this continues for another six months, North Korea will be very likely to lose almost all channels for international financial transactions except its small accounts in many Chinese banks. North Korea's invitations of former President Clinton and Hyundai Group Chairwoman Hyun Jung-eun are related to this grave situation. This is also why North Korea no longer uses provocative words, including suggesting an additional nuclear test or a missile launch. Encouraged by the effects of sanctions, the U.S. seems to intend to push harder since it is reaping good results.

What matters is moderating the intensity of sanctions. It is time to calculate accurately to what extent we should put pressure on North Korea in order to maximize the effects of sanctions and to bring the North back to the Six-Party Talks, while making the North

deliver on its agreements. Otherwise, North Korea will become desperate - like a mouse chased by a cat - and resort to self-destructive acts, including nuclear and missile tests. Now that U.S. -North Korea relations have entered a new phase, the release of the Hyundai Asan employee may serve as a significant breakthrough in inter-Korean relations. The ROK should respond to the release of the ROK worker considering a change in U.S.-North Korea relations.

UN. KOREA MUST FREE FISHERMEN

(Dong-a Ilbo, August 14, 2009, page 27)

Hyundai Asan Corp. worker Yu Seong-jin was freed yesterday after spending 137 days in detention in North Korea. His release is apparently the North's overture to the ROK after Pyongyang sent a conciliatory gesture to the U.S. by releasing two American reporters. The North had repeatedly urged "unity among all Koreans," so it would have been difficult to keep Yu detained even after freeing the two journalists in the wake of former U.S. President Bill Clinton's visit to Pyongyang.

Despite Yu's release, a slew of humanitarian issues remain between the ROK and North Korea. Four ROK fishermen from the vessel 800 Yeonan remain prisoners in the North. The boat strayed into North Korean waters due to a mechanical failure on July 30. Ironically, the ROK repatriated a North Korean fishing boat that accidentally crossed the inter-Korean border in the Yellow Sea the same day the 800 Yeonan entered the North. Pyongyang must immediately release

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the four fishermen and stop taking hostages.

Thirteen months have passed since the North's killing of ROK tourist Park Wang-ja, who was shot to death July 11 last year by a North Korean soldier at Mount Kumkang. Pyongyang, however, has yet to apologize for her shooting, let alone promise to prevent a recurrence. Tours to the scenic mountain should not resume before the killing is resolved. The North is mistaken if it believes her death will also be forgotten the way Yu's detention was resolved.

Seoul should not interpret the ROK worker's release as signaling a major change in inter-Korean relations. Resolution of humanitarian issues is one thing, but the North's nuclear dismantlement is quite another. Unless Pyongyang fundamentally changes its behavior toward nuclear weapons, no breakthrough in inter-Korean relations is possible.

For more than 10 years, the pattern of North Korean aggression, U.N. sanctions against the North, the dispatch of a special envoy, and compensation followed by dialogue has repeated itself. U.S. President Barack Obama, however, has made it clear that Washington will break the pattern of compensating the North for its provocations. The U.S. says the release of the two journalists is a separate matter from the nuclear issue. It also added Kwangson Banking Corp. to the list of North Korean entities subject to financial sanctions on Tuesday. The North is apparently making conciliatory gestures toward the ROK and the U.S. to avoid international isolation resulting from UN economic sanctions after its second nuclear explosion and missile tests. Pyongyang must face the reality that no breakthrough in ties with Seoul or Washington will occur unless it gives up nuclear weapons.

Seoul must maintain a cool-minded and principle-based stance toward Pyongyang to prevent the North from misjudging that the ROK and the U.S. will return to the pattern of the past. It is thus premature to say that if Pyongyang releases detainees and talks of returning to the Six-Party Talks, the ROK can resume sending aid to the North.

US. KOREAN'S RELEASE IS NOT THE END OF THE MATTER

(Chosun Ilbo, August 14, 2009, page 31)

North Korea released an ROK staffer at the Kaesong Industrial Complex on Thursday, 136 days after he was suddenly arrested on

March 30. The release of Yu Seong-jin, which came during a visit to North Korea by Hyundai Group chairwoman Hyun Jung-eun, is welcome news not only for his family but for all ROK people.

We will soon find out what Hyun discussed during her trip to North Korea when she returns to the ROK. Hyundai Asan has been the main ROK business partner of North Korea after agreeing nine years ago to operate the Kaesong Industrial Complex with the North's Asia-Pacific Peace Committee. Asan is also the operator of package tours to Mt. Kumgang, which have been halted for more than a year. The results of Hyun's trip to the North will determine the future of both those tours and the Kaesong Industrial Complex.

But Yu's release does not mean that all problems have been solved. The ROK and North Korea have many issues that need to be addressed so that incidents like the one involving Yu do not happen again. The fundamental problem is that the ROK will remain helpless if North Korea chooses not to abide by an agreement signed by the two sides in 2004 regarding entry and sojourn within the Kaesong Industrial Complex. The ROK strives to abide by these rules under the principles of good will and sincerity, but North Korea has demonstrated its willingness to ignore them at whim.

Article 10, Clause 3 of the agreement contains the guarantee of personal safety, stating clearly that the basic human rights of a South Korean under investigation must be guaranteed. But during the 136 days Yu was detained, North Korean authorities did not allow an ROK official or attorney to meet him. Article 12, Clause 1 of the agreement concerning cooperation and exchange of information

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stipulates that the ROK and North Korea must notify each other of information necessary for the fulfillment of the terms of the agreement and respond to requests for information by the other side.

But North Korean authorities refused to state the specific reason that led to Yu's arrest and did not tell the ROK where he was being detained.

Article 10, Clause 4 of the agreement states that if a South Korean in the Kaesong Industrial Complex violates North Korean law, the North will investigate the matter and inform the ROK of the details of the violation and deal with the offense with a warning, fine or deportation. But the North Korea "investigated" Yu for 136 days without giving a detailed explanation or account.

The two sides must immediately look for ways to resolve problems in the implementation of the agreement and come up with any supplementary measures necessary. Discussions must take place on the scope of Article 10, Clause 2, which concerns "grave violations." The guarantee of an individual's safety is the most fundamental factor among many that determine the success or failure of the Kaesong Industrial Complex. The project cannot succeed unless North Korea resolves fears of sudden arrest and indefinite detention among ROK workers there.

Yu may have been released, but the four crewmembers of the fishing boat 800 Yeonan, which strayed into North Korean territorial waters in the East Sea on July 30 due to instrument failure, are still being detained by North Korean authorities. The North must send them back as soon as possible, abiding by a 20-year custom of returning fishermen who have accidentally crossed over into the other side's territorial waters.

STEPHENNS